THE HON'BLE Ms. JUSTICE G. ROHINI

WRIT PETITION NO.26060 OF 2006

DATED: 15-12-2006

Between :

M/s. Circar Oils Corporation rep. By
Its Prop. M. Narayanacharyulu ... Petitioner

And

1. The Regional Manager, Zonal Manager,
   State Bank of India, Vijayawada
   And another. .. Respondents

THE HON'BLE Ms. JUSTICE G. ROHINI

WRIT PETITION NO.26060 OF 2006

ORDER :

The 2nd respondent herein issued a notice dated 14-10-2006 under Section 13 (2) of the Securitisation and Reconstrution of Financial Assets and Enforcement of Security Interest Act, 2002 (for short, 'the Act') informing the petitioner that a sum of Rs.1,11,42,635-08 ps is due and calling upon the petitioner to pay the said amount within 60 days from the date of receipt of the notice, failing which the 2nd respondent would proceed to recover the same by exercising the rights under sub-section (4) of Section 13 of the Act.

The petitioner states that the said notice was received on 17-10-2006 and within 60 days the petitioner made a detailed representation on 22-11-2006 requesting to accept a sum of Rs.2 lakhs as final payment which would make total payment of Rs.90 lakhs in full and final settlement of account. The petitioner apprehends that without considering the said representation the respondents are likely to proceed against the secured assets. Hence, this writ petition.

Under sub-section (3A) of Section 13 of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 the borrower is entitled to make a representation on receipt of the notice under sub-section (2) of Section 13 of the Act in which event the secured creditor shall consider such representation and if the representation is found to be not acceptable or tenable the same shall be communicated within one week on receipt of representation with reasons for non-acceptance of the

representation/objection to the borrower.

In the light of the above provision which is held to be mandatory by this Court in a catena of decisions, the Writ Petition is disposed of with a direction to the respondents not to take any further steps pursuant to the notice dated 14-10-2006 issued under Section 13 (2) of the Act without considering the representation made by the petitioner dated 22-11-2006 in terms of sub-section (3A) of Section 13 of the Act. No costs.

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G. ROHINI, J.

Dt. 15-12-2006
gbs